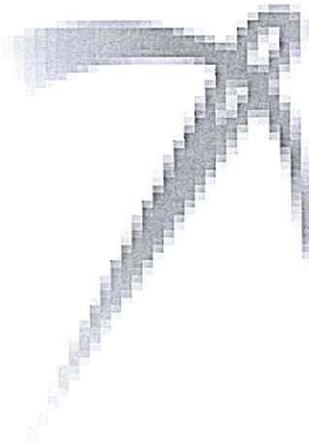


HALF YEARLY REPORT

UN-AUDITED

PERIOD ENDED

DECEMBER 31, 2025



YOUSAF WEAVING MILLS
LIMITED



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

7/1 - E-3, Main Boulevard
Gulberg III, Lahore, Pakistan
Tel: +92 42 35757108 & 35717510 - 17
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Web: www.yousafweaving.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

We are pleased to present the unaudited condensed interim financial statements for the half-year ended December 31, 2025. Despite a challenging economic environment, the Company remains committed to operational efficiency and prudent strategic management.

Sales revenue increased by 39% compared to the previous period. This growth, together with relative economic stability and easing inflation, positively impacted gross profitability. The Company achieved a gross profit of Rs. 7.542 million, reflecting a 9% improvement over the corresponding period. Operating expenses increased by 23%, primarily due to higher depreciation on fixed assets added during the period. Finance costs decreased by 32% as the Company continued to service and reduce its long-term borrowings.

Although the overall financial position has not changed significantly, certain important improvements have been achieved up to the date of this report which need to be highlighted. During the period, the Company fully repaid the principal portion of its liabilities with National Bank of Pakistan. The loan from Bank of Punjab has been substantially settled, with only a minor balance remaining, which is expected to be cleared up in the third quarter. Negotiations for restructuring of outstanding loans of Habib Metropolitan Bank Limited are at an advanced stage, and management is hopeful of finalizing the rescheduling in the upcoming period.

Under the Company's BMR plan, four air jet looms, two compressors, and three dryers were imported and successfully installed. These additions are expected to reduce production costs and improve operational efficiency in the coming periods.

To support working capital requirements, the Directors provided an additional long-term loan of Rs. 232.917 million, reaffirming their commitment to the Company's sustainability. Management intends to convert these director loans into equity through the issuance of shares, subject to necessary approvals. An Extraordinary General Meeting will be held next month to seek members' approval, after which appropriate steps will be taken to implement the conversion.

The auditors have included an "Emphasis of Matter" paragraph in their review report, drawing attention to the material uncertainty related to the Company's ability to continue as a going concern. The management has appropriately disclosed this matter in Note 1.1 of the financial statements, which highlights the assessment of going concern and the Company's future plans to address the related uncertainties.

The Company is currently in a transitional phase and requires time to strengthen its base through modernization of machinery, streamlining banking relationships, and expanding its clientele in both local and international markets.

For and on behalf of the Board

Lahore
February 27, 2026

عاليہ خانم
Alia Khanum
Director

Khawaja Mohammad Nadeem
Chief Executive Officer



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF YOUSAF WEAVING MILLS LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim financial position of Yousaf Weaving Mills Limited as at December 31, 2025 and the related condensed interim financial statement of profit or loss, the condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and condensed notes to the financial statements for the six-months period then ended (here-in-after referred to as the "condensed interim financial statements").

Management is responsible for the preparation and presentation of this condensed interim financial statement in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss, the condensed interim statement of other comprehensive income for the quarters ended December, 31 2025 and December 31, 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2025.

Scope of Review

We conducted our review in accordance with international Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity." A review of Interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.1 in the condensed interim financial information, which indicates that the Company incurred a loss after tax of Rs. 21.866 million during the period ended December 31, 2025, and as of that date, its accumulated losses amounted to Rs. 1,873.647 million. The Company's current liabilities exceeded its current assets by Rs. 696.812 million,

and certain banking companies have filed suits against the Company for the recovery of outstanding balances.

As stated in Note 1.1, these events or conditions, along with other matters set forth in the same note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

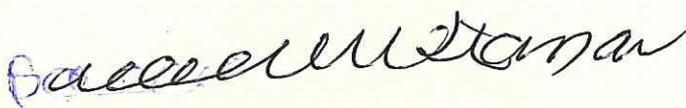
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The condensed interim financial statements of the Company for the six-month period ended December 31, 2024, were reviewed by another auditor who expressed a qualified conclusion on those statements vide their report dated February 28, 2025. The financial statements of the Company for the year ended June 30, 2024, were also audited by another auditor who expressed a qualified opinion on those statements. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's report is Saeed Ul Hassan, FCA.



SAEED UL HASSAN & Co.
Chartered Accountants



Place: Lahore

Date: February 27, 2026

UDIN: RR202510617uAwB71azn

YOUSAF WEAVING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	December 31, 2025 (Un-audited) Rupees	June 30, 2025 (Audited) Rupees
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
140,000,000 (2025: 140,000,000) ordinary shares of Rs. 10 each		1,400,000,000	1,400,000,000
Issued, subscribed and paid up share capital		1,360,000,000	1,360,000,000
Loan from directors		363,524,500	130,607,264
Accumulated loss		(1,873,647,015)	(1,851,780,752)
Surplus on revaluation of land		631,523,327	631,523,327
		481,400,812	270,349,839
Non Current Liabilities			
Long term loan		-	13,356,922
Lease liabilities		52,002,342	56,364,291
Deferred liabilities		33,364,985	31,444,850
		85,367,327	101,166,063
Current Liabilities			
Trade and other payables		499,689,525	539,956,820
Unclaimed dividend		3,247,016	3,247,016
Accrued mark up		128,548,979	129,558,452
Short term borrowings		550,098,683	517,916,243
Current portion of long term loan		13,893,890	55,151,358
Current portion of lease liabilities		8,949,350	9,449,026
Provision for taxation		18,427,144	20,555,407
		1,222,854,587	1,275,834,322
Contingencies and Commitments	5	-	-
		1,789,622,726	1,647,350,224
ASSETS			
Non Current Assets			
Property, plant and equipment	6	1,113,797,583	1,105,120,138
Right-of-use assets		77,722,746	81,229,035
Intangible assets		68,627	76,253
Long term loans		11,643,050	11,403,050
Long term deposits		60,348,192	60,348,192
		1,263,580,198	1,258,176,668
Current Assets			
Stores and spares		33,964,595	12,612,311
Stock in trade		328,811,058	319,075,139
Trade debts		115,189,403	11,679,760
Loans and advances		25,305,793	31,527,512
Trade deposits and other receivables		14,115,704	185,000
Tax refunds due from government		3,805,850	6,508,221
Cash and bank balances		4,850,125	7,585,613
		526,042,528	389,173,556
		1,789,622,726	1,647,350,224

The annexed notes form an integral part of these condensed interim financial information (Unaudited).

CHIEF EXECUTIVE OFFICER

دائری مانی
DIRECTOR

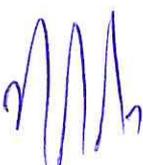
CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half Year Ended		Quarter Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees	Un-audited Rupees
Sales - net	350,396,613	252,137,628	180,101,474	137,607,727
Cost of sales	(342,854,559)	(245,211,814)	(176,166,137)	(133,445,376)
Gross profit	7,542,054	6,925,814	3,935,337	4,162,351
Distribution cost	(3,189,795)	(2,692,100)	(1,670,845)	(1,346,050)
Administrative expenses	(20,814,747)	(16,874,101)	(12,092,809)	(8,514,989)
	(24,004,542)	(19,566,201)	(13,763,654)	(9,861,039)
Operating loss	(16,462,488)	(12,640,387)	(9,828,317)	(5,698,688)
Finance cost	(1,023,817)	(1,499,326)	(482,129)	(792,531)
Loss before Levies & Taxation	(17,486,305)	(14,139,713)	(10,310,446)	(6,491,219)
Levies	(4,379,958)	(3,151,720)	(2,251,269)	(1,720,096)
Loss before Taxation	(21,866,263)	(17,291,433)	(12,561,715)	(8,211,315)
Taxation	-	-	-	-
Loss for the period	(21,866,263)	(17,291,433)	(12,561,715)	(8,211,315)
Loss per share - basic & diluted	(0.16)	(0.13)	(0.09)	(0.06)

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half Year Ended		Quarter Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	Rupees	Rupees		
Loss for the period	(21,866,263)	(17,291,433)	(12,561,715)	(8,211,315)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	<u>(21,866,263)</u>	<u>(17,291,433)</u>	<u>(12,561,715)</u>	<u>(8,211,315)</u>

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half Year Ended	
	December 31, 2025	December 31, 2024
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(21,866,263)	(17,291,433)
Adjustments for:		
- Depreciation	23,296,808	18,483,320
- Amortization of intangible assets	7,625	9,532
- Levies	4,379,958	3,151,720
- Provision for gratuity	3,760,134	2,779,420
- Finance cost	1,023,817	1,499,326
Operating profit before working capital changes	10,602,079	8,631,885
(Increase) / Decrease in current assets:		
- Stores and spares	(21,352,284)	(304,685)
- Stock in trade	(9,735,919)	66,612,646
- Trade debts	(103,509,643)	5,008,918
- Loan and advances	6,221,719	(4,244,566)
- Tax refundable due from government	(7,106,386)	671,500
Increase / (Decrease) in current liabilities:		
- Trade and other payables	(35,852,417)	(84,043,312)
	(185,265,634)	(16,299,499)
CASH USED IN OPERATIONS	(174,663,555)	(7,667,614)
Finance cost paid	(1,845,105)	(2,362,939)
Gratuity paid	(1,839,999)	-
Income tax paid	(1,114,341)	(177,476)
Net cash used in operating activities	(179,463,000)	(10,208,029)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment purchased	(28,467,964)	(145,000)
Long term loans to employees	(240,000)	(240,000)
Net cash used in investing activities	(28,707,964)	(385,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans	178,302,846	6,148,846
Short term borrowings - net	32,182,440	2,350,771
Repayment of lease liabilities	(5,049,810)	(4,933,854)
Net cash generated from financing activities	205,435,476	3,565,763
Net decrease in cash and cash equivalents	(2,735,488)	(7,027,266)
Cash and cash equivalents at the beginning of the period	7,585,613	9,622,693
Cash and cash equivalents at the end of the period	4,850,125	2,595,427

The annexed notes form an integral part of these condensed interim financial information (Unaudited).


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



YOUSAF WEAVING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Particulars	Issued, Subscribed and Paid up Share Capital	Accumulated Loss	Loan from Directors	Revaluation Surplus	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2024	1,360,000,000	(1,541,662,149)	48,652,264	631,523,327	498,513,442
Net loss for the period	-	(17,291,433)	-	-	(17,291,433)
Loan from directors during the year	-	-	13,400,000	-	13,400,000
Balance as at December 31, 2024	1,360,000,000	(1,558,953,582)	62,052,264	631,523,327	494,622,009
Balance as at July 1, 2025	1,360,000,000	(1,851,780,752)	130,607,264	631,523,327	270,349,839
Net loss for the period	-	(21,866,263)	-	-	(21,866,263)
Loan from directors during the year	-	-	232,917,236	-	232,917,236
Balance as at December 31, 2025	1,360,000,000	(1,873,647,015)	363,524,500	631,523,327	481,400,812

The annexed notes form an integral part of these condensed interim financial information (Unaudited).



CHIEF EXECUTIVE OFFICER

عالم رضا خان
DIRECTOR



CHIEF FINANCIAL OFFICER



YUSAF WEAVING MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

Note 1

The Company and its Operations

Yusaf Weaving Mills Limited was incorporated on January 17, 1988 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchange. The Company is engaged in the business of textile weaving, spinning, sale of processed fabric and home textile products. The registered office of the Company is situated at 7/1-E-3, Main Boulevard Gulberg III, Lahore.

- 1.1 During the period, the Company incurred a loss after tax of Rs. 21.866 million (2024: Rs. 17.291 million) and, as at the reporting date, accumulated losses amounted to Rs. 1,873.647 million (2024: Rs. 1,851.781 million). As of that date, the Company's current liabilities exceeded its current assets by Rs. 696.812 million (2024: Rs. 886.661 million). In addition, certain banking companies have filed suits against the Company for recovery of outstanding balances together with accrued mark-up thereon. These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and to discharge its liabilities in the normal course of business.

The continuation of the Company as a going concern is dependent upon its ability to generate sufficient cash flows and the successful implementation of management's plans and remedial measures as follows:

- The directors have provided a long-term loan amounting to Rs. 232.917 million during the current period to support the Company's working capital requirements. The directors and sponsors have also continued to extend financial support to enable the Company to meet its operational and financial obligations as they fall due.
- Management is actively engaged with the lending banks to resolve outstanding matters. During the period, the Company fully repaid the principal amount of financing obtained from National Bank of Pakistan and is currently negotiating with the bank for a concession in respect of the related mark-up / cost of funds. Furthermore, discussions are in progress with Habib Metropolitan Bank Limited for restructuring of the outstanding loan facility, and management is confident of reaching an amicable settlement.
- In order to strengthen the Company's financial position and improve operational performance, management is implementing measures to control production costs, enhance operational efficiency, and undertake balancing, modernization and replacement (BMR) of plant and machinery. During the period, letters of credit were opened for the import of a compressor/dryer and new looms, which have been successfully installed subsequent to the reporting date. These additions are expected to improve production efficiency, strengthen the plant and machinery base, and reduce energy consumption, thereby supporting future cash flow generation.

Based on the financial projections, continued sponsor support, operational improvements, and ongoing negotiations with financial institutions, management believes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these condensed interim financial statements have been prepared on a going concern basis.

Note 2

Basis of Preparation

- 2.1 These condensed interim financial information have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 The condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June, 2025.

- 2.3 This condensed interim financial information is presented in Pak rupees, which is the Company's functional and presentational currency. The financial statements have been prepared under the historical cost convention. Figures have been rounded off to the nearest thousand rupee, unless stated otherwise.

Note 3

Significant Accounting Policies

The accounting policies and methods of computation of the interim financial information are the same as those followed in the preparation of annual financial information for the preceding year ended June 30, 2025.

Note 4

Accounting Estimates and Judgments

The accounting estimates and associated assumptions used in preparation of this condensed interim financial information are consistent with those applied in the preparation of annual financial statement of the Company Limited for the year ended June 30, 2025.

Note 5

Contingencies and Commitments

There is no significant change in the contingencies and commitments as disclosed in the last published audited financial statements of the Company for the year ended June 30, 2025, except that during the period the Company has fully settled the principal amount of its outstanding liabilities towards National Bank of Pakistan, which was previously under litigation. The accrued markup / cost of funds has not yet been finalized and is currently under negotiation with the bank for a possible concession. The financial impact, if any, will be determined upon final settlement.

Note 6

Property, Plant and Equipment

	Half Year Ended Dec 31, 2025	Year Ended June 30, 2025
	(Un-audited) Rupees	(Audited) Rupees
Operating fixed assets	1,113,797,583	1,105,120,138
Opening written down value	1,105,120,138	1,108,252,054
Addition during the period / year (at cost)	28,467,964	29,884,325
Disposal during the period / year (written down value)	-	(24,829)
	1,133,588,102	1,138,111,550
Depreciation charge for the period / year	(19,790,519)	(32,991,412)
Closing written down value	1,113,797,583	1,105,120,138

Note 7

Transactions with Related Parties

The related parties and associated undertakings comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	Half Year Ended	
	Dec 31, 2025	Dec 31, 2024
	(Un-audited) Rs. '000'	(Un-audited) Rs. '000'
Significant transaction with related parties are as follows:		
- Loan term loan received from directors	232,917	13,400
- Short term loan received/(paid) from / to directors - net	32,182	(1,459)

Note 8

Segment Information

8.1 For management purposes, the activities of the Company are organized into two operating segment:

Weaving:	Production of grey and processed cloth.
Spinning:	Production of different qualities of yarn using natural and artificial fibers.

The Company operates in the said reportable operating segments bases on the nature of products, risks and returns, organizational and management structure and internal financial reporting systems. Accordingly, the figures reported in these condensed financial statements related to the Company's reportable segment.

Information regarding the Company's reportable segment for the half year ended December 31, 2025 are as follows:

8.2 Segment revenues and results

There were no transactions with key management personnel other than undertaken as per terms of their employment.

Note 8 - Segment Information ... Contd.

For the Half Year Ended December 31, 2025 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	350,396,613	-	350,396,613
Cost of sales	(339,243,732)	(3,610,827)	(342,854,559)
Gross profit / (loss)	11,152,881	(3,610,827)	7,542,054
Distribution cost	(3,189,795)	-	(3,189,795)
Administrative expenses	(20,805,744)	(9,003)	(20,814,747)
	(23,995,539)	(9,003)	(24,004,542)
Operating loss	(12,842,658)	(3,619,830)	(16,462,488)
Finance cost	(1,023,817)	-	(1,023,817)
Other operating income	-	-	-
Loss before Levies & Taxation	<u>(13,866,475)</u>	<u>(3,619,830)</u>	(17,486,305)
Levies			(4,379,958)
Loss before Taxation			(21,866,263)
Taxation			-
Loss after taxation			<u>(21,866,263)</u>

For the Half Year Ended December 31, 2024 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Sales - net	252,137,628	-	252,137,628
Cost of sales	(243,268,431)	(1,943,383)	(245,211,814)
Gross profit / (loss)	8,869,197	(1,943,383)	6,925,814
Distribution cost	(2,692,100)	-	(2,692,100)
Administrative expenses	(16,863,128)	(10,973)	(16,874,101)
	(19,555,228)	(10,973)	(19,566,201)
Operating loss	(10,686,031)	(1,954,356)	(12,640,387)
Finance cost	(1,499,326)	-	(1,499,326)
Other operating income	-	-	-
Loss before Levies & Taxation	<u>(12,185,357)</u>	<u>(1,954,356)</u>	(14,139,713)
Levies			(3,151,720)
Loss before Taxation			(17,291,433)
Taxation			-
Loss after taxation			<u>(17,291,433)</u>

8.3 Segment assets and liabilities

As at December 31, 2025 (Un-audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	1,585,204,697	200,612,180	1,785,816,877
Unallocated assets			3,805,849
Total assets as per balance sheet			<u>1,789,622,726</u>
Segment liabilities for reportable segments	1,170,296,901	231,374,300	1,401,671,201
Unallocated liabilities			(93,449,287)
Total liabilities as per balance sheet			<u>1,308,221,914</u>

As at June 30, 2025 (Audited)			
	Weaving Segment	Spinning Segment	Total
	Rupees	Rupees	Rupees
Segment assets for reportable segments	1,433,959,580	206,882,423	1,640,842,003
Unallocated assets			6,508,221
Total assets as per balance sheet			<u>1,647,350,224</u>
Segment liabilities for reportable segments	1,033,597,022	229,574,713	1,263,171,735
Unallocated liabilities			113,828,650
Total liabilities as per balance sheet			<u>1,377,000,385</u>

Note 9
Financial Risk Management

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited annual published financial statements of the Company for the year ended June 30, 2025.

Note 10
General

-
- 10.1 This interim financial information is authorized for issue on February 27, 2026 by the Board of Directors of the Company.
- 10.2 Corresponding figures have been re-arranged wherever necessary to facilitate comparison. No material rearrangement has been made during the period.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

